CBCS SCHEME

USN | | | | | | | | | | |

20MBA13

First Semester MBA Degree Examination, July/August 2021
Accounting for Managers

Time: 3 hrs. Max. Marks: 100

Note: ***Answer any FIVE full questions.***

Important Note : 1. On completing your answers, compulsorily draw diagonal cross lines on the remaining blank pages.
2. Any revealing of identification, appeal to evaluator and /or equations written eg, 42+8 = 50, will be treated as malpractice.

1 a. What do you mean by Accounting? **(03 Marks)**

b. Explain the steps of Accounting process. **(07 Marks)**

c. Mr. Murthy started business with the followings on January 1, 2021.
Cash Rs 5000 , Furniture Rs 10,000 , Amount due from Shivaram Rs 13,000 , Amount due to Suraj Rs 10,000 and Goods Rs 30,000. His transactions during the month were as follows

Jan 2	Purchased goods from Nandan Rs 55,000
Jan 3	Sold goods to Vijay Rs 50,000
Jan 5	Introduced fresh capital Rs 20,000
Jan 10	Paid Nandan on account Rs 25,000
Jan 15	Received from Vijay Rs 30,000
Jan 18	Withdrew cash for personal use Rs 12,000
Jan 25	Sold goods to Uday subject to 5% trade discount Rs 30,000
Jan 31	Paid wages to Workers Rs 35,000

Journalise the above transactions. **(10 Marks)**

2 a. What is Trial Balance? **(03 Marks)**

b. Explain Tools and Techniques of Financial Statement Analysis. **(07 Marks)**

c. From the following information prepare a statement of Profit and Loss for the year ended 31 March 2021.

Equity share capital	2,00,000	Wages	1,00,000
Creditors	24,000	Repairs	1,000
Return outwards	10,000	Rent	8,000
Sales	3,28,000	Bad debts	4,000
Plant & Machinery	80,000	Carriage	3,000
Sundry debtors	48,000	Oil & Fuel	2,000
Return Inwards	6,000	Bank	10,000
Bills Payable	10,000	Cash	10,000
Drawings	20,000	Stock	40,000
Purchases	2,10,000	R/S	5,000
Manufacturing Expenses	16,000		
Trade Expenses	14,000		

Adjustments :

i) Depreciate Plant & Machinery by 10%.

ii) Allow interest on capital at 5%.

iii) A sum of Rs 800 is due for repairs.

iv) Closing stock was valued at Rs 29,000. **(10 Marks)**

3 a. What is Window Dressing? **(03 Marks)**

b. Explain Accounting Conventions in brief. **(07 Marks)**

c. The following data given below : Sales Rs 10,50,000 ; Working capital Rs 1,50,000 ; Fixed Assets Rs 2,10,000 ; Total Assets Rs 5,25,000 ; Capital Employed Rs 3,50,000.
Calculate : i) Capital Turnover Ratio ii) Fixed Assets Turnover Ratio
iii) Working Capital Turnover Ratio iv) Total Assets Turnover Ratio. **(10 Marks)**

4 a. What is Comparative Statement? **(03 Marks)**

b. Define Management Accounting and explain the objectives of Management Accounting. **(07 Marks)**

c. From the following information, you are required to calculate :
1) Contribution 2) Break – even point 3) Margin of Safety
4) Profit 5) Volume of sales to earn profit of Rs 6,000.
Total sales – 15,000 ; No. of units sold – 5,000 ; Total variable cost – 7,500
Total Fixed cost – 4,500. **(10 Marks)**

5 a. Calculate CA and CL. If Working capital is Rs 2,40,000 and Current Ratio = 2.5. **(03 Marks)**

b. Explain the classification of variances. **(07 Marks)**

c. 'X' Company had budgeted the following expenses for producing 12,000 units.

Particulars	Amount (per unit) Rs
Materials	60
Labour	30
Variable overheads	25
Fixed overheads (Rs 1,20,000)	10
Direct variable overheads	6
Selling and Distribution expenses (25% fixed)	24
Administrative expenses (60,000/- rigid for all levels of production)	5
Total	160

Prepare a budget for the production of 10,000 units. **(10 Marks)**

6 a. What is Functional Budget? **(03 Marks)**

b. Explain the features of Accounting Standards. **(07 Marks)**

c. Briefly explain the methods of HR Accounting. **(10 Marks)**

7 a. What is Forensic Accounting? **(03 Marks)**

b. Nandu Manufacturing Company incurred the following cost for a Biscuit pack.
Fixed Factory overhead cost Rs 70,000 ; Fixed selling overhead cost Rs 20,000.
Variable manufacturing cost PU Rs 16 ; Variable selling cost PU Rs 4.
Selling price per unit Rs 25.
Calculate i) BEP in units ii) BEP in sales values
iii) Number of units, if earn a profit of Rs 95,000. **(07 Marks)**

c. Calculate cash flow from Operating activities from the following :

Particulars	31-3-2020	31-3-2021
Profit and Loss A/c	1,20,000	1,30,000
Debtors	1,70,000	96,000
Bills Receivable	80,000	1,62,000
General Reserves	3,44,000	4,14,000
Wages outstanding	52,000	16,000
Salaries prepaid	16,000	20,000
Good will	1,40,000	1,20,000

(10 Marks)

8 Prepare a statement of Profit/loss for the year ended 31st March 2021 and Balance sheet as on that date from the following Trial Balance :

Particulars	Dr. Rs	Cr. Rs
Equity Share Capital	-	1,60,000
Bills payable	-	33,800
Creditors	-	70,000
Purchases	2,51,000	-
Purchases returns	-	2,650
Sales	-	4,18,000
Sales returns	2,000	-
Drawings	45,000	-
Good will	80,000	-
Land & Buildings	60,000	-
Plant & Machinery	40,000	-
Loose tools	3,000	-
Bills Receivable	3,000	-
Stock on 1-4-2020	40,000	-
Wages	20,000	-
Carriage outwards	500	-
Carriage inwards	1,000	-
Coal	5,800	-
Salaries	35,000	-
Rent, Rates and taxes	2,800	-
Discount	1,500	-
Cash at Bank	25,000	-
Cash in hand	400	-
Sundry Debtors	45,000	-
Repairs	1,800	-
Printing & Stationery	500	-
Bad debts	1,200	-
Advertisements	3,500	-
Furniture	11,200	-
General Expenses	5,250	-
Total	6,84,450	6,84,450

Adjustments :

1) Closing stock on 31st March 2021 was Rs 35,000.
2) Depreciate Plant and Machinery, Loose tools and Furniture by 10% and Land and Buildings by 5%.
3) Provide Rs 1,500 for wages.
4) Advertisement prepaid Rs 500.
5) Provide 5% on debtors against bad debts and 2% against discount. **(20 Marks)**

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